

Meeting Minutes for the Regular Meeting of the Belmont City Council and Joint Meeting with the Belmont Finance Commission

Tuesday, February 25, 2003

REGULAR MEETING

CALL TO ORDER 7:30 P.M.

COUNCILMEMBERS PRESENT: Metropulos, Bauer, Warden, Wright

STAFF MEMBERS PRESENT: City Manager Kersnar, Assistant City Manager Rich, Finance Director Fil, City Attorney Savaree, City Clerk Cook

PLEDGE OF ALLEGIANCE

Led by Troop 965, Cipriani School, Nancy Sato, Leader

ANNOUNCEMENT OF CLOSED SESSION ITEMS

Mayor Wright announced that at the Closed Session held on February 11, 2003, direction was given, but no action was taken.

SPECIAL PRESENTATIONS

Belmont Police Department Award Recipients

Employee of the Year: David Asher

Officer of the Year: Richard T. Wheaton

Dispatcher of the Year: Tiffany S. Pelletier

Police Chief Janke introduced the award recipients and their families, and the Council and audience offered congratulations for a job well done.

Proclamation Honoring the Memory of Dr. John W. Mills

Mayor Wright presented Mrs. Mills with a Proclamation honoring Dr. Mills, a long-time physician, who recently passed away. Mrs. Mills thanked the Mayor for this honor.

PUBLIC COMMENTS AND ANNOUNCEMENTS

Jerry Chapman, San Juan Blvd., stated that he had an issue with regard to the procedure and cost for simple changes to projects that have gone to the Planning Commission for approval. He stated that he was attempting to add windows to a home he was building, but that the fees would be over \$2,000 for the project to be re-reviewed by the Planning Commission. Staff will report back to Mr. Chapman and to the Council regarding this requirement.

COUNCIL MEMBER COMMENTS AND ANNOUNCEMENTS

Councilmember Warden announced that the Belmont Kiwanis Club's 50th anniversary lunch would be held on March 3 at the Iron Gate Restaurant.

Councilmember Bauer announced that high school students, including some from Carlmont, made a trip to Sacramento today to lobby the Governor and the Legislature for money for education.

Mayor Wright announced that there would be a compost giveaway program at City Hall on Saturday, March 8.

CONSENT CALENDAR

Approval of meeting minutes: January 28, 2003

Approval of Warrant List Dated: February 7, 2003, in total amount of \$751,204.27.

Acceptance of Written Communication.

Motion to approve Claims Management Report.

Motion to waive reading of Ordinances.

Approval of Resolution 9362 Approving the Medical Retirement of German Shepherd Police Canine Henk and Transferring Ownership to Sgt. John Conforti.

Approval of Resolution 9363 Authorizing City Manager to Execute Professional Services Agreement with Callander Associates for Playground Design Services, in an amount not to exceed \$35,000.

Approval of Resolution 9364 Approving the City of Belmont to Apply for Grant Funds for the Roberti-Z'Berg-Harris Urban Open Space and Recreation Program under the Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Bond Act of 2000.

Approval of Resolution 9365 Approving the City of Belmont to Apply for Grant Funds for the Per Capita Grant Program under the Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Bond Act of 2000.

Approval of Resolution 9366 authorizing the purchase of VeriPic Digital Photography Software and related computer system from Kwan Software Engineering Inc., in an amount not to exceed \$12,005.

Approval of Ordinance 984 amending Section 5.3.13 (Floor Area Ratio C-2 General Commercial District) of Belmont Zoning Ordinance 360 (2nd reading and adoption).

Motion to extend length of term from two years to four years of Trustee Robert Blake on the Mosquito Abatement District.

Approval of Resolution 9367 Accepting Work, Approving Contract Change Orders 1 and 2, and Authorization to Issue Notice of Substantial Completion for Sanitary Sewer Rehabilitation, Basins 9, 11, 12, and 15 Spot Repair, J.F. Pacific Liners, Inc., City Contract Number 414.

Approval of Resolution 9368 Establishing two 15-Minute Parking Spaces (8 A.M. to 6 P.M., Weekdays, Excluding Weekends and Holidays) on the East Side of Sixth Avenue Immediately North of Ralston Avenue Adjacent to Ralston Village Cleaners.

Approval of Corrective Resolution 9369 of the City Council of the City of Belmont Vacating a Portion of the Right-of-Way at 1501 Williams Street (APN: 044-131-110, M/MCollins).

Approval of Resolution 9370 Authorizing a First Amendment to an Agreement with Cayenta Canada, Inc. for software implementation services and remote database administration in the amount of \$124,125.

Approval of Resolution 9371 approving a Lease with the Silicon Valley Art Museum for the Manor Building.

Action: On a motion by Councilmember Bauer, seconded by Councilmember Metropulos, the Consent Agenda was unanimously approved by a show of hands.

NEW BUSINESS

CONVENE A JOINT MEETING OF THE CITY COUNCIL AND FINANCE COMMISSION

CALL TO ORDER 7:55 P.M.

COUNCILMEMBERS PRESENT: Metropulos, Bauer, Warden, Wright

COMMISSIONERS PRESENT: Ledoux, Leiberman, Mannisto, Violet, Troyan

COMMISSIONERS ABSENT: Oswald, White, Sepah-Mansour, Rodriguez

STAFF PRESENT: City Manager Kersnar, Assistant City Manager Rich, Finance Director Fil, City Attorney Savaree, City Clerk Cook

Discussion regarding background and role of Finance Commission

Commissioner Violet made a Power Point presentation outlining the role of the commission, and provided the professional background of each of the commissioners. Duties of the commission include 1) acting as the independent audit committee, 2) monthly and mid-year budget reviews, including Treasurer's reports, 3) review of investment policies, 4) evaluating proposals and contracts, 5) other duties as directed by Council, such as the evaluation of potential bond measures. He stated that the Finance Commission is dedicated to adding value, and expressed his hope that the Council will continue to use the Commission's broad expertise, especially during hard times.

Councilmember Warden outlined the differences between the Finance Commission and other commissions in that that the Finance Commission recommends its own members for appointment, meeting agendas are not posted, meetings are held on the third floor in City Hall, not in a more public place like the Senior Center, the minutes are not distributed or posted to the Web as are other Commission minutes, and that there is no liaison to Council meetings. Commissioner Ledoux clarified that the current commission is in its third iteration, and that the second one dissolved in acrimony in 1977. The Commission acts independently from an audit and political standpoint. Meetings are held in the small room in City Hall because not many people come to the meetings. He stated he did not know that minutes are not distributed in the same fashion as other commissions.

Council discussion ensued, and there was consensus that a future joint meeting should be held to discuss and clarify these issues.

Report on Mid-Year Financial Results – December 31, 2002.

City Manager Kersnar presented an overview of the current financial situation. He stated that the City of Belmont was managing through difficult

times, but that challenges were significant. He stated that the \$500,000 adjustment made during the prior fiscal year put the City in a better position going into the current economic downturn. He also stated that the mid-year correction was originally targeted at \$750,000. Guiding principles were adopted and have been analyzed as the target correction was adjusted to \$1.3 million. He further stated that the adjusted target of \$1.3 million assumes no additional State takeaways, that the focus of the correction plan is for the General Fund, but other funds could be threatened.

City Manager Kersnar further stated that staff recommends that the Council adopt the \$1.3 million plan, which is annual. If there is additional State takeaway, staff has prepared an additional \$650,000 financial package, representing deeper cuts, which could be implemented.

Finance Director Fil reviewed the mid-year financial results. He stated that some funds will need corrective action, but that others were in good shape. He clarified that the overall General Fund revenue and expenditure balances were on target.

Staff recommends that Council approve the mid-year adjustments, and any motion to that effect will direct staff to bring correction action resolutions for approval at the March 11th Council meeting.

Action: On a motion by Councilmember Warden, seconded by Councilmember Metropulos, the mid-year adjustments were unanimously approved as presented by a show of hands.

RECESS: 8:45 P.M.

RECONVENE: 8:53 P.M.

Finance Director Fil reviewed the Correction Plan, consisting of a \$1.95 million package, and is designed to meet a structural budget gap, including both expenditure reductions and revenue enhancements. He clarified that the service reductions were modest, consistent with policies, and the additional revenues proposed included transfers, and an increase in franchise fees for water and garbage. He further clarified that two items will change existing policies for nonprofit funding and contingencies. He stated that each department contributed to the reductions, and the employee groups reviewed the reduction package. He also stated that the proposals are identifiable, sustainable, realistic, and long-term.

In response to a question from Councilmember Warden, staff clarified that the two police officer positions included in the reduction package had been

funded, but unfilled since last summer. Staff also clarified that the closure of City Hall during the holidays was part of the original package, but in response to the unions, it was moved to the alternative package. Staff further clarified that the alternative package, Schedule B, would be implemented if the State forces additional budget cuts.

In response to questions regarding franchise fees, Finance Director Fil clarified that a new tax, or an increase in existing taxes, required a vote of the people, but that an increase to fees did not. He further clarified that there is a nexus between fees and services provided, such as the impact to the pavement from water district projects and the use of BFI trucks. He further clarified that the average increase for a typical garbage bill would be approximately \$1.93 per month, and the water increase would be \$.57 per month.

Councilmember Warden stated that he agreed with the service reductions, but had difficulty with new fees, and would prefer additional reductions. Mayor Wright stated that he categorized the revenue increases into two areas: taxes that can be passed on, and a fee for value received. He further stated that the overall plan represented a 16% net increase of taxes and fees, which he did not believe was too high in light of the current economic situation.

Council and commission discussion ensued. City Manager Kersnar stated that regardless of Council action, additional State impact will likely affect additional service cuts, and this could put the City in a position to advise the Legislature about how the State Budget proposal impacts local services. Councilmember Warden agreed with this position. Mayor Wright stated that there is a balance of increase in fees and service cuts in the package as presented.

Action: On a motion by Councilmember Warden, seconded by Councilmember Bauer, and unanimously approved by a show of hands, the 2002-03 Budget was amended as presented in Schedule A attached to the staff report.

FY 2004 Budget Strategic Planning Session

Finance Director Fil reviewed trends and projects as they related to the development of the 2004 Budget. He stated that there was little change in demographics, some growth in housing, inflation was falling, as was job growth, the office vacancy rate was at 21.5%, and may have hit bottom, and investment rates were still lowering. He clarified that while the City of Belmont will achieve targeted fund balances with the \$1.3 million correction,

the State's deficit was projected to be \$15-\$18 billion, with no plan to address the deficit.

Finance Director Fil further reviewed and described Revenue and Expenditure projections, as well as the status of current capital improvement projects. In addition, he described the Governor's January budget plan and its relation to the State deficit, the Vehicle License Fee (VLF) issue, and other State takeaways such as ERAF and booking fees. He reviewed the City's financial policies, and clarified that the action taken by Council earlier would change policies for Reserves and Community Group Funding for the 2004 Budget.

Action: On a motion by Councilmember Bauer, seconded by Councilmember Metropulos, the 2004 Budget Calendar was unanimously approved by a show of hands.

Mayor Wright commended staff's work to help with the difficult process and direction related to the budget.

Adjournment – at this time being 10:29 P.M., the Joint Meeting of the Belmont City Council and Belmont Finance Commission was adjourned.

Adjournment – also at this time being 10:29 P.M., the Regular Meeting of the Belmont City Council was adjourned.

Terri Cook

City Clerk

Meeting Tape Recorded

Tape No. 548